Remarks

This is responsive to the Advisory Action mailed October 9, 2007. The amendments do not contain new matter and without prejudice serve to cancel a claim and to more particularly point out and distinctly claim that which is patentable.

Support for the amendments to claims 1, 9, and 16 to more particularly recite that the access instructions are associated with a predefined limit of playings is found at least in the specification at page 5 lines 28-31.

Support for the amendment to claim 9 to more particularly recite a "pocket-size enclosure" is found at least in the specification at page 3 lines 19-25, and ordinarily means the enclosure is sized to "fit in a pocket," analogous to the meaning of "pocket knife" being limited to a knife that fits in a pocket.

Claim 33 is canceled without prejudice solely in an effort by Applicant to reduce the number of outstanding issues to facilitate progress on the merits.

Rejection Under 35 U.S.C. 103(a)

Claims 1-5, 8, 16-21, and 23-32 stand rejected as being unpatentable over Chung '963 in view of Downs '618.

Applicant has amended claims 1 and 16 to more particularly recite the access instructions being associated with *a predefined limit of authorized playings of the entertainment media*.

The following statement by the Office is misplaced:

Downs specifically discloses wherein the <u>portable device</u> will have computer software, i.e. a "User Player Application" stored thereon for controlling access to the

entertainment media (column 7, lines 11-22 and column 11, lines 30-55)¹

The Office's characterization of Downs '618 is a misnomer because the hardware/software to which Downs '618 refers in the passage relied upon is actually the "End-User Player Application." The End-User Player Application 195 resides in the End-User Device 109, not the portable device. Downs '618 does not teach or suggest storing the End-User Player Application 195 in the portable device, or in any way running the End-User Player Application 195 independently of the End-User Device 109. Rather, the End-User Player Application 195 always resides in and runs on the End-User Device 109. The End-User Device 109 is only disclosed as being a non-portable device, such as a personal computer, a set-top box, or an internet appliance.

The End-User Player Application 195 enables the Usage Conditions running on the End-User Device 109.⁵ The Usage Conditions control things like the number of copies and plays by the End-User Device 109, and whether or not the Content can be copied to an external portable device.⁶ The End-User Device 109 updates a digital watermark appended to the Content to toll events such as copies or plays.⁷ The portable device can perform a subset of the End-User Player Application 195 functions in order to process the Usage Conditions embedded in the watermark.⁸ However, Downs '618 does not teach or suggest the portable device updating the watermark as the End-User Device 109 does, in order to limit the number of plays by the portable device independently of the End-User Device 109.

¹ Office Action of 5/31/2007 pg. 2 lines 8-11 (emphasis added)

² see, for example, Downs '618 col. 7 lines 41-43.

³ Downs '618 col. 11 lines 52-54: "The terms End-User(s) and End-User Player Application 195 are used throughout this to mean through the use or running-on an End-User Device(s) 109."

⁴ Downs '618 col. 6 lines 43-45; col. 11 lines 33-34.

⁵ Downs '618 col. 7 lines 41-43.

⁶ Downs '618 col. 11 lines 40-48; col. 20 lines 42-47.

⁷ Downs '618 col. 11 lines 40-48.

In substantiating obviousness the Office is obligated to factually consider all the differences between what is claimed and what is disclosed by the cited references. The present embodiments as disclosed and claimed contemplates an intelligent portable storage module that can be selectively encoded to perform only a predefined limit of authorized playings of entertainment media. The skilled artisan, having read the disclosure, understands that this permits controlling access to the entertainment media from the vantage point of the portable module. Contrarily, Downs '618 clearly discloses only being able to limit the authorized playings by and with respect to the End-User Device 109.

Particularly, Downs '618 does not teach or suggest encoding the portable digital storage module with access instructions corresponding to a predefined limit of authorized playings of the entertainment media as recited by claim 1, and does not teach or suggest store access instructions associated with a predefined limit of authorized playings of the user-selected entertainment media as recited by claim 16. Chung '963 fails to cure the deficiency of Downs '618 in this regard. Therefore, there is lacking in the record the requisite evidence that the cited references include all the recited features of independent claims 1 and 16 to substantiate obviousness. 10 There is also lacking in the record any evidence that the skilled artisan, having knowledge of the cited references, would find it obvious to modify and combine them in order to arrive at the present embodiments as claimed. 11

¹¹ *Id*.

⁸ Downs '618 col. 11 lines 49-52.

⁹ Graham v. John Deere Co., 388 US 1 (1966).

¹⁰ Examination Guidelines for Determining Obviousness in View of the Supreme Court Decision in KSR International Co. v. Teleflex Inc., FR 57526

Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejection of claims 1 and 16 and the claims depending therefrom in view of the clarifying amendments thereto.

Rejection Under 35 U.S.C. 103(a)

Claims 9, 10, and 15 stand rejected as being unpatentable over Chung '963 in view of Yamagata '793 and further in view of Downs '618.

For the same reasons set forth above, Applicant has amended claim 9 to more particularly claim a controller...granting the digital format player device access to data stored in the memory according to a predefined limit of authorized playings. Yamagata '793 fails to cure the deficiency of Downs '618 and Chung '963 in this regard.

Furthermore, Applicant has stated its agreement in the record that neither Chung '963 nor Downs '618 teaches the claimed *controller*. Although Applicant reiterates that Yamagata '793 is improper nonanalogous art, it has nonetheless further amended claim 9 to more particularly recite a "pocket-size enclosure" containing the controller. Yamagata '793 does not teach or suggest this size feature because neither its 3.5 inch nor its 5.5 inch drive is sized to fit in a pocket.¹²

Therefore, there is lacking in the record the requisite evidence that the cited references include all the recited features of these claims to substantiate obviousness.¹³

There is also lacking in the record any evidence that the skilled artisan, having knowledge of

¹³ supra note 10.

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 $^{^{12}}$ see Yamagata '793 col. 2 lines 28-45; 3.5 inch disk drive is 41.3mm x 102mm x 146mm, and 5.5 inch disk drive is 82.5mm x 140 mm x 207mm.

the cited references, would find it obvious to modify and combine them in order to arrive at the present embodiments as claimed.¹⁴

Applicant respectfully requests reconsideration and withdrawal of the rejection of claims 9, 10, and 15 in view of the clarifying amendments to claim 9.

Conclusion

This is a complete response to the Advisory Action mailed October 9, 2007. Applicant respectfully requests the passage of all the pending claims to allowance.

Applicant has also submitted herewith a request for telephone interview. Absent allowance, Applicant respectfully requests the opportunity for a telephone interview in order to facilitate a mutual understanding as to what is claimed and what the cited references disclose in view of the protracted prosecution in this case.

The Office is invited to contact the undersigned should any questions arise concerning this response or any other matter in this case.

Respectfully submitted,

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¹⁴ *Id*.